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**AN ORDINANCE  
of the  
CITY OF  
MINNEAPOLIS**

**By Glidden**

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**Amending Title 2, Chapter 16 of the Minneapolis Code of Ordinances  
relating to Administration: Finance.**

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That Section 16.110 of the above-entitled ordinance be amended to read as follows:

**16.110. Financial institutions to disclose certain information.**

(Aa) *Declaration of Policy and Purpose.* It is the public policy of the city and the purpose of this section:

- (1) To recognize and declare that it is an unfair discriminatory practice for a financial institution, or any employee or agent thereof, to whom application is made for financial assistance for the purchase, acquisition, construction, rehabilitation or improvement of any real property in the City of Minneapolis to discriminate against any person or persons seeking such financial assistance in connection with real property in a specific area of the city or any part thereof solely because of the social, economic or environmental conditions of the area in the granting, withholding, extending, modifying or renewing, or in the rates, terms, conditions or privileges of any such financial assistance or in the extension of services in connection therewith.
- (2) To require all financial institutions which desire to participate in city programs and which make home mortgage, small business, home improvement or rehabilitation loans of any type to disclose information concerning their lending policies and practices so that public officials and members of the public can determine whether said financial institutions are fulfilling their obligations to serve the needs of the communities and neighborhoods in which they are located, and to assist public officials in determining how to distribute public funds in a manner best calculated to improve the private real estate investment environment in the city. In addition, the disclosure of lending information provides greater

transparency to the public regarding decisions made by the city about its vendors.

(3) To recognize that the products and practices of financial institutions have a measurable impact on the city's tax base, quality of life and overall economic viability and competitiveness.

~~(3)~~ (4) To recognize and declare that the city needs information on mortgage lending activity to assist it in carrying out its planning and financial assistance programs. Financial institutions engaged in real estate lending activity within the city have unique access to such lending information; therefore, all such financial institutions are encouraged to disclose the information set out in this section in order to assist the city in its efforts to combat the problem of urban decay.

(5) To promote the long term economic well-being of the City of Minneapolis and its residents and to ensure economic growth by encouraging fair lending practices and equitable provision of banking services throughout the city.

~~(Bb)~~ *Definitions.*

(1) Financial institutions shall be defined to include any commercial bank, savings bank, savings and loan association, building and loan association, mutual savings bank, mortgage banker, investment bank, or credit union, which makes home mortgage loans, or small business loans, or construction, home improvement or real estate rehabilitation loans of any type.

(2) Metropolitan Statistical Area shall be defined as the geographical area comprised of the counties of Hennepin, Ramsey, Washington, Anoka, Dakota, Scott and Carver inclusive have its meaning as set forth in the Community Reinvestment Act ("CRA"), of 1977, pursuant to 12 U.S.C. Section 2901 et seq. and laws and regulations amendatory thereof and supplemental thereto.

(3) Reporting area shall be defined as census tract area.

(4) Banking services shall include, but not be limited to, deposit services, electronic access services, disbursement services, lending money on the security of real or personal property or without security and other credit services, clearing and safekeeping of securities, wire transfers of funds, lock-box services, custody services.

~~(Cc)~~ *Financial institutions Disclosure.* Each financial institution ~~which has a home office or branch office located in the City of Minneapolis and which~~ participates in or desires to participate in city programs or the provision of banking services for the city

shall compile and furnish to the city finance officer the following information: ~~required on the mortgage loan disclosure statement pursuant to the home mortgage disclosure act, 12 U.S.C. Section 2801 et seq. and laws amendatory thereof and supplementary thereto as well as a copy of the institution's most recent community reinvestment act statement, as required by the Community Reinvestment Act of 1977, pursuant to 12 U.S.C. Section 2901 et seq. and laws and regulations amendatory thereof and supplemental thereto.~~

~~(1) Such information shall be made available within ninety (90) days after the close of each fiscal year of the financial institution or as soon thereafter as practicable. The city finance officer is authorized to establish reporting dates for each financial institution.~~

~~(2) A copy of the lending and deposit information disclosed to the city shall be made available to the public by the financial institution during all business hours for inspection and copying at each office of the financial institution located in the city. Such financial institution may make a reasonable charge for furnishing copies of such information to members of the public not to exceed the cost of copying such information.~~

(1) For the City of Minneapolis, by census tract, the information required on the mortgage loan disclosure statement pursuant to the Home Mortgage Disclosure Act, 12 U.S. C. Section 2801 et seq. and laws amendatory thereof and supplementary thereto ("HMDA"), for the previous fiscal year;

(2) For any Metropolitan Statistical Area in Minnesota within the financial institution's CRA assessment area, a copy of the institution's most recent community reinvestment act statement, as required by the Community Reinvestment Act of 1977, pursuant to 12 U.S.C. Section 2901 et seq. and laws and regulations amendatory thereof and supplemental thereto CRA for the previous fiscal year;

(3) For the City of Minneapolis, information related to loan modifications and foreclosures on residential mortgages on properties located within the city, which shall include data as of the end of the financial institution's previous fiscal year on the:

a. percentage of residential mortgages that are current or missed only one (1) payment;

b. percentage that are seriously delinquent (sixty (60)+ days late);

c. percentage that are actively engaged to find a workout option;

d. number of customers that have completed or started a workout arrangement;

e. number of customers that have completed a workout arrangement and the number of workout arrangement that resulted in each of the following outcomes:

1. modification to lower monthly mortgage payments,
2. principal reduction to reduce the mortgage amount owed,
3. modification or reduction on the second mortgage,
4. mortgage payments reduced or suspended during period of unemployment,
5. bankruptcy,
6. short sale, or
7. deed in lieu of foreclosure;

f. number of the financial institution's real estate-owned ("REO") properties for sale;

g. number of completed foreclosure sales; and

h. number of the financial institution's REO properties donated or discounted to nonprofits or the city.

(4) As of the end of the previous fiscal year, information on the locations of banking services located in the City of Minneapolis; and

(5) For businesses located in the City of Minneapolis, as of the end of the previous fiscal year, information on the number of small business loans including:

- a. number and total loan amounts at origination less than or equal to one hundred thousand dollars (\$100,000);
- b. number and total loan amounts at origination greater than one hundred thousand dollars (\$100,000) but less than or equal to two hundred and fifty thousand dollars (\$250,000);
- c. number and total loan amounts at origination greater than two hundred and fifty thousand dollars (\$250,000) but less than or equal to one million dollars (\$1,000,000); and,

d. number and total loans to businesses with gross annual revenues less than or equal to one million dollars (\$1,000,000).

(6) As of the end of the previous fiscal year, information regarding the closing of any branch or ATM service located in the City of Minneapolis and an affirmative statement that they are in compliance with Section 42 of the Federal Deposit Insurance Act (12 U.S.C. 1831) when closing any branch, including the ninety (90) day notice period for public comment.

(7) Such information shall be disclosed on a form to be provided by the city from an authorized representative and disclosed by July 1 of each year or as soon thereafter as practicable. The city finance officer is authorized to establish different reporting dates for each financial institution and has discretion to accept similar information in lieu of the information set forth above depending on the financial institution's circumstances.

(8) A copy of the HMDA and CRA information disclosed to the city shall be made available to the public by electronic means by the financial institutions.

(Dd) *Optional Information.* Each financial institution may submit such additional material as is deemed relevant to consideration of its participation in city programs such as specific information concerning its activity during the fiscal year in participating in local development programs and other local rehabilitation programs. *Additional Disclosures.* In addition to the disclosures required elsewhere in this section, financial institutions already participating in city programs or providing city banking services or seeking to participate in city programs or provision of city banking services shall also disclose the following information through filings with the finance officer as described below:

(1) *Commercial Banks.* Commercial banks who currently participate in city programs or provide banking services or seek to participate in city programs or to provide city banking services shall, every two (2) years, file a Community Reinvestment Plan describing current and proposed initiatives to address the financial needs of the city, its residents and businesses, and shall include a discussion of the following services, products and areas of activity:

a. Affordable check cashing and other transactional services used by consumers with limited banking accounts or experience;

b. Small consumer loans, including those that serve as an alternative to payday loans;

c. Participation in city sponsored neighborhood development programs;

- d. Efforts to support homeownership education and foreclosure prevention education and counseling;
- e. Equitable contributions to community based non-profit organizations in the city that engage in neighborhood development.
- f. Provision of full service banking in city neighborhoods, including branches, services and technologies; and
- g. Plans to provide and market loans, including home and small business loans, and investment products that help create loans throughout the city including in low and moderate income and minority neighborhoods and to low and moderate income and minority consumers.

“Commercial Bank” shall be defined for the purposes of this section as a financial institution that accepts cash deposits for checking and savings accounts from customers and uses those cash deposits to issue loans.

(2) *Investment Banks.* A statement of their corporate citizenship which shall include but not be limited to: participation in charitable programs or scholarships within the city during the year immediately predating the filing; internal policies regarding utilization of subcontractors which are designated as “women owned”, “minority owned”, or “disabled” business enterprises.

“Investment bank” shall be defined for the purposes of this section as a financial institution that provides underwriting services including the buying and selling of stocks, bonds and other securities and other debt related services.

A financial institution which has both commercial and investment branches shall be subject to the type of disclosure associated with the kind of city business it pursues; cash deposits or other types of commercial banking services or the selling of securities or other debt related services. Investment banks shall not be subject to the disclosure requirements in section 116.110 (c) and (d)(1) as long as they seek or perform only investment banking business as defined above. If the investment bank seeks or performs city commercial banking business then it shall be subject to all of this section’s disclosure requirements.

(3) Such disclosure information under this paragraph (d) shall be disclosed on a form to be provided by the city from an authorized representative by July 1 or as soon thereafter as practicable. The city finance officer is authorized to establish different reporting dates for each financial institution and has discretion to accept similar information in lieu of the

information set forth above depending on the financial institution's circumstances.

(Ee) *Analysis of Disclosure Data; Public Access to Disclosure Data.* The city finance officer may designate an appropriate city office or agency to analyze the data submitted under this section and such designated office or agency shall report its analysis to him. A copy of the lending and deposit information disclosed under this section shall be made available to the public at the office of the finance officer during all business hours for inspection and copying. The finance officer may make a reasonable charge for furnishing copies of such information to members of the public, not to exceed the cost of copying such information.

(Ef) *Referral to Civil Rights Department.* After examining the data submitted under this section, if the city finance officer determines that there is a need for further inquiry into the existing lending patterns or practices in a particular geographical area, the finance officer shall refer the matter to the Minneapolis Civil Rights Department for investigation.

(Gg) *Time Required.* Any information required to be compiled and made available under this section shall be maintained and made available for a period of three (3) years after the close of the first year during which such information is required to be maintained and made available.

(Hh) *Compliance.* If any financial institution~~s~~ has not maintained and made available such information as required, the city council may refuse to allow such financial institutions to participate in any city program or to provide any banking services for the city. For the purpose of this subsection, "city program" shall include designation as a depository of city funds or any other program involving city monies. If the finance officer determines that the data submitted under this section by any financial institutions is incomplete, incorrect or otherwise deficient, the finance officer shall promptly notify such financial institutions of the deficiencies and shall require such financial institutions to submit a revised disclosure statement containing the necessary corrections, additions or improvements. No such financial institutions shall be deemed to be in compliance with this section until the finance officer determines that all errors, omissions, defects or deficiencies have been remedied.